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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
BRAZIL

IPF:(1992-96) $14 183 000

(BRA/92/020) - Improvement and Modernization of Technical Assistance and Rural Extension Systems in Brazil

Date of approval by the AC:1/	24 March 1993
Expected duration:	Three years
Proposed executing agency:	Government
Government implementing agency:	EMBRAPA (Brazilian Company for Agricultural Research)
Government cost sharing:	$ 9 708 700
Total UNDP budget:	$ 9 708 700

Project background

Rural Population in Brazil is approximately 25 percent of the total 150 million inhabitants and the direct sectoral product is about 10 percent of GNP. However, intersectoral relations indicate that agriculture is the sector with the greatest linkage to other economic activities, thus accounting for 40 percent of GNP when considering the sector as a whole, and for 40 percent of Brazilian exports. Traditionally, agricultural services were characterized for a high degree of centralization at the Federal Level and for lack of adequate coordination between the agricultural research system and the rural extension system, which were adjunct to different institutions.

The new Constitution of 1988 and the administrative reform of 1990, had profound effects in the provision of agricultural services. It decentralized a substantial portion of Federal responsabilities related to technical assistance and rural extension to states and municipalities; and it consolidated both agricultural research and rural extension services into one institution, the Brazilian Company of Agricultural Research (EMBRAPA). This broad institutional reorganization of the entities responsible for the generation and transfer of agricultural technology in Brazil has induced deep changes in work methods and procedures at managerial and operational levels. It has also led to a demand for qualitative improvement in performance, in response to redefined government agricultural policy which specifically indicates the need for an accelerated and generalized modernization of the agricultural sector.

As a result EMBRAPA is seeking the effective integration of research and rural extension activities, the decentralization of these services to the states and municipalities, the development of new methods of grassroots participation to validate research results and agricultural practices, and the adaptation of research and extension

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activities to specific agroecological and socieconomic conditions of local producers, particularly small and medium farmers. To reach the national objective of making the agricultural sector more productive and competitive, the Government requested UNDP assistance under the present approval. The project is related to area #2 of the Fifth Country Programme for Brazil, namely "modernization of the productive sector".

Description of project

The immediate objectives of the project are to: (a) improve the Brazilian systems of technical assistance and rural extension (SIBRATER)'s institutional capacity for the transfer of agricultural technology; (b) develop and improve new technology generation and transfer processes at municipal/regional levels; (c) install and train 27 state research/extension teams to work in the formulation of agricultural policies (bottom up approach); and d) coordinate and supervise state technical-financial cooperation programmes.

Project activities will include: (a) implementing five Regional Support Units on technical assistance, extension and rural development; a managerial research/extension information system; and technical and modern communication means didactically applied at the National Systems of Agriculture Research/Brazilian System of Technical Assistance and Rural Extension (SNPA/SIBRATER); (b) testing, demonstrating and disseminating through the implementation of five pilot areas new working processes and methodologies; and (c) training technical staff, educators and leaders on technological and operational topics for rural development (about 1220 persons), on the use of multimedia (50 educators) and on information/computerization (250 managers experts and trainers).

Inputs

UNDP will provide 43 work-months of international consultants (information/computerization, monitoring/evaluation, didactical unit architecture and others); 147 work-months of national consultants and 324 work-months of national experts (management of technical assistance and rural extension programmes with specialization in planning, monitoring/evaluation, multimedia, methodology and rural communication and organization); 492 work-months of OPAS experts who will receive training in science and technology); 972 work-months of administrative posts for documentation/information support activities; training in related rural development matters and computerized; and remote sensing and audio-visual equipment.

Financial data

	$
Personnel	2 996 200
Subcontract	490 000
Training	3 492 000
Equipment	2 164 000
Miscellaneous	566 500
Total	9 708 700

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
COMOROS

IPF:(1992-96) $11 133 000

(COI/91/003) - Assistance to the Private Sector

Date of approval by the AC:[1/]	31 March 1993
Expected duration:	36 months
Proposed executing agency:	ILO in association with UNIDO/FAO
Government implementing agency:	Ministry for Finance, Budget and Planning
Proposed UNDP contribution:	$ 2 356 800 Source of funds: IPF
Total UNDP budget:	$ 2 356 800

Project background

Private sector development is one of the four priorities in the fourth UNDP Country Programme (1992-96). To address the issue of economic recovery, the Government has drawn a policy framework in close cooperation with the World Bank and the International Monetary Fund which includes, inter alia, promotion of private initiative to foster economic libration and political reforms.

The Comoros private sector is hampered by the lack of natural resources and the relative isolation of the local economy from international trade. The scarcity of professional structures as well as the absence of an adequate legal business and commercial environment are not conducive for viable activities incentives enhanced by a deep economic recession. For these reasons the Government has requested UNDP assistance to establish a support project for the private sector in its strive to attain the macro economic goals of sustained and proportionate growth. With its two main instruments, the Center for Assistance to the Private Sector (CASP) and the Private Sector Development Fund (FASP), the project sets out to strengthen and dynamize enterprise development and to alleviate unemployment pressures caused by business deregulation measures, whilst broadening the social base of entrepreneurship. Particular attention will be drawn to women in development, non-governmental associations and environmental concerns.

The UNDP intervention, which is complementary to other aid donors activities fits into the Structural Adjustment and Public Administration Reform Program. The preparatory assistance has had these results to date: (a) the establishment of administrative and

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institutional conditions to continue activities under a final and approved project such as CASP, FASP, and Business registration office (Guichet unique); and (b) the availability of studies and establishment of rehabilitation programs for private enterprises.

Description of project

The long-term objective of the project is to broaden the macro economic options of the Government. The immediate objectives of the project are to: (a) reinforce the mainstream economy by means of an appropriate institutional framework conducive to private initiative development, small business creation and SMB rehabilitation; (b) optimize the level of rehabilitation and development of human resources affected by economic changes through training and development programs; and (c) establish an institutional base to support the private sector and warrant proactive partnership with Government in its strive for global development.

Project activities will lead to the following outputs: (1) a CASP and FASP in full operation with production and dissemation of case studies; (2) feasibility studies; (3) rehabilitation plans; (4) 400 trained entrepreneurs; (5) 100 established small businesses; (6) three common facility centers; (7) one development plan at the horizon 2000; (8) one training system; (9) social security system study; (10) an embryo of a private employment office; and (11) the establishment of a tripartite institutional framework for the private sector.

Inputs

UNDP will provide a business administration specialist (36 man-months), an expert maintenance engineer (12 man-months), a junior-expert business administration (12 man-months), one UNV specialist for associations (24 man-months), international consultants (4.5 man-months); administrative support and seven national experts (four economists, one agro-economist, one legal expert, one trade specialist); from 1 April 1993, the cost of national expertise will be borne by the Chamber of Commerce; a local subcontract for small business support and various studies and participation of NGO's; the organization of training and seminars in the field of entrepreneurship development and business creation and management; equipment (three vehicles, office equipment, computers, air conditioners) and office furniture; and miscellaneous costs.

Financial data

	$
Personnel	1 326 300
Subcontract	521 000
Training	105 000
Equipment	237 000
Miscellaneous	107 500
Total	2 356 800

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROGRAMME OF

MALAWI

IPF:(1992-96)$93 900 000

(MLW/92/001, MLW/92/002, MLW/92/003, MLW/92/004, MLW/92/005)

Programme IV - Management for Development

Date of approval by the AC:[1/]	16 December 1992
Expected duration:	Four and half years
Proposed executing agency:	Government in co-operation with OPS, DESD, ILO
Government implementing agency:	Office of the President and Cabinet
Proposed UNDP contribution:	$6 147 000 Source of funds: IPF
Total UNDP budget:	$6 147 000

Project background

Malawi is a paradox of development efforts. On the one hand, it has demonstrated impressive macro-economic growth exceeding 4 per cent since 1989, which reached 7.8 per cent in 1991; and on the other it has shown that poverty remains widespread. Poverty indicators in Malawi are among one of the highest of the least developed countries. The country ranks 141 out of 160 on the Human Development Index. Given this situation, it has been emphasized in the development policy statements (DEVPOL). To bring development to rural areas through donor-supported initiatives, improve the basic infrastructure and facilities in specific areas, increase employment opportunities, reduce the rural-urban migration, and strengthen the outreach capacity of the central ministries, the Government has requested UNDP assistance under the present programme.

Description of project

The primary goal of the Programme is to strengthen the capacities at the local level, especially the districts, to assume responsibility for management of development activities focused on poverty alleviation. Support will also be provided for central level institutions, to increase their effectiveness in the process of decentralization. This Programme will serve as the principal mechanism through which the other core Programmes will

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be brought to the District and Community levels and implemented in an integrated and coordinated manner. The Programme will consist of five components with the respective objectives as follows:

Component I: Programme Management and Support Unit - (a) ensure that appropriate management procedures and adequate coordination mechanisms are applied during the implementation of the various components under programme IV; and (b) provide certain common support services such surveys and data collection in addition to other tasks such as financial accounting and reporting, monitoring and evaluation.

Component II: Management Training - (a) improve management capabilities of development entities of the six selected districts (LIAs) through management training; and (b) enhance institutional capabilities of central organizations and training institutions, to provide support and required training for impact with respect to the six districts/LIAs.

Component III: Institution Building - (a) increase the capacity of key training institutions and planning/financial management entities to increase self-sufficiency, thereby alleviating the present human resource shortages at all levels.

Component IV: Decentralization Policy and Progress - (a) obtain clarification and further develop government policy on decentralization; and (b) enhance the outreach capabilities of central administration into the rural areas through the effective implementation of decentralization process.

Component V: District Focus for Development - (a) strengthen the capacity to plan and manage development at the district level; and (b) make financial resources immediately available in meeting district and community needs as defined and decided at that level.

Inputs

UNDP will provide a national programme manager (48 work-months); an international programme adviser (24 work-months); two national component managers (24 work-months each); six district officers (24 work-months each); national volunteers; and two international component advisers (20 work-months); one district development planner and expert in leadership development (12 work-months each); 14 UNVs (24 work-months each); subcontracts to NGOs; training; equipment; and miscellaneous costs.

Financial data

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Personnel	3 639 800
Subcontract	500 000
Training	779 000
Equipment	713 000
Miscellaneous	515 600
Total	6 147 400

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
THE REPUBLIC OF YEMEN

IPF:(1992-96) $39 636 000

(YEM/92/G31) - Protection of Marine Eco-systems of the Red Sea Coast

Date of approval by the AC:[1/]	7 April 1993
Expected duration:	Three years
Proposed executing agency:	Government
Government implementing agency:	Ministry of Fish Wealth
Proposed UNDP contribution:	$2 800 000 Source of funds: GEF
Total UNDP budget:	$2 800 000

Project background

The Red Sea coast of the Republic of Yemen extends for about 450 km. to the North from Bab el Mandeb. Aden, with its substantial fisheries and local centres of marine science, lies 100 km. east of this point. The importance to Yemen of the Red Sea marine environment is substantial. Life and development remain firmly based on its renewable natural resources; and for the coastal people of the Red Sea, these resources which derive from its high biodiversity and productivity, can in many cases only be sustained, if the biodiversity is maintained and if the waters are more effectively protected from pollution. Major parts of the Yemen Red Sea environment are poorly known. This has important consequences for this project design, especially in areas of pollution monitoring and providing protection to critical habitats. Brief biological surveys of about 100 sites in the nearshore Red Sea environment of Yemen conducted in 1985 and 1991, constitute almost the only existing source of biological data for this area. Most coral reef and seagrass occurs in the southern part of the coast where biodiversity is likely to be greatest. Offshore, patch reefs and other reefs occur throughout the Yemen Red Sea. These are almost completely unstudied, although, potentially, they are likely to provide great biodiversity and substantial shallow breeding and feeding grounds for fish.

Most marine pollution in the region comes from shipping (oil and tar). Also, some valuable habitants have been damaged by landfill. The lack of monitoring of the coast and the lack of adequate background marine biological data has made it relatively simple for shipping companies to deliberately seek out these waters for polluting activities such as tank cleaning. Recently, there are raising concerns that land-based sources of pollution such as sediment, heavy metal, pesticide and fertilizer run off, might pose problems. Fisheries are important for Yemen's economy, as fish is the country's second most important source of protein. Artisanal fisheries of Yemen seas are expanding with the rise in coastal population; and there are plans to increase commercial fishing despite the general lack of knowledge about resources, ergo sustainable catch levels. For the Red Sea, pollution

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control and marine habitat protection are both essential if fish catches from these waters are to be sustainable. There is some evidence that catches from the Yemen Red Sea are already close to the maximum sustainable level, but these Red Sea marine resources now face new pressures from the large, local increase in population from returnees from other Gulf States following the 1991 war. Presently, reported Red Sea catches for pelagic fish are 9,500 tonnes, against a possible maximum sustainable level of 10 to 20,000 tonnes. Demersal fisheries, which are closely linked to the health of shallow habitats are 4,000 tonnes, against a possible maximum level of 5,000 tonnes. Two major problems exist with these figures. Firstly, the reported catch is probably too low, and secondly, there is little useful data on which to base estimates of what catch level is sustainable. Under the circumstances, there is a quite real risk that even relatively small population increases on the Red Sea coast or localized damage to spawning grounds could quickly lead to depletion of the fish resource and shallow water habitats, as fishing activities intensify to compensate for declining catches.

Description of project

The project will play a key role in defining the marine resource base on Yemen (along the Red Sea coast), and in helping to avoid and resolve conflicts of use as well as avoid damage and depletion. The immediate objectives of the project are to: (a) decrease the vulnerability of the Red Sea to pollution; (b) increase the understanding of marine systems and of interaction between land and sea; and (c) provide adequate protection and appropriate management of the marine ecosystems and associated resources.

Project activities will include: (a) assessment and classification of marine habitats, offshore reefs and associated biota; (b) analysis of environmental trends, including evaluation of marine habitats which are critical to maintaining high biodiversity; (c) establishment of a database to determine the Red Sea environmental status quo and trends; and a marine environmental monitoring system for the Red Sea; (d) strengthening the capacity of national institutions to assess marine ecosystems, detect and control pollution sources before damage is caused; (e) training in environmental information collection and interpretation; (f) tropical coastal management; (g) ecosystems analysis and management; (h) environmental impact assessment (EIA) and monitoring; (i) marine environmental protection and public awareness enhancement; (j) preparation of the means to protect Yemen waters and adjacent international waters from pollution; (k) assurance of recurrent cost financing; (l) review and development of the protected area system, including assistance with preparation of management plans for EPC; (m) improved public awareness of the economic and environmental value of protected areas through educational campaigns; (n) institutional strengthening and capacity building of the Regional Environment Programme for the Red Sea and the Gulf of Aden (PERSGA) through a regional component handled by UNEP, and planning for future expansion of the Red Sea Programme using the Egypt and Yemen projects as models.

Inputs

UNDP will provide experts and consultants (43.5 work-months) training (210 work-months); a sub-contract for environmental information collection and interpretation, EIA and monitoring, protected area management, public awareness enhancement, marine environmental protection, tropical coastal management, ecosystem analysis and management; and equipment.

Financial data

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Personnel	239 800
Subcontract	1 843 900
Training	122 400
Equipment	71 000
Miscellaneous	522 900
Total	2 800 000

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
RWANDA

IPF:(1992-96) $42 973 000
(RWA/93/003) - Round Table Meeting on Humanitarian Assistance and Reconstruction of Rwanda

Date of approval by the AC:[1/]	14 April 1993
Expected duration:	12 weeks
Proposed executing agency:	UNDP/OPS
Government implementing agency:	Ministry of Planning
Proposed UNDP contribution:	$ 207 000 Source of funds: IPF

Project background

This revised model of RBA's Round Table mechanism aims at strengthening coordination of development partners and the National Government of Rwanda in order to design, finance and implement strategies on emergency assistance and reconstruction, for responding effectively and as rapidly as possible to very advanced deterioration of the human situation in one country. Since October 1990, Rwanda has been affected by a prolonged situation of war, now worsened by the breakdown of the cease fire by the FPR in February 1993. The number of internally displaced persons has dramatically increased from 350,000 in 1992 to more than one million today. The humanitarian situation of the displaced as well as host population, which together represents a third of the total population, has therefore quickly deteriorated.

At the Governing Council of 17 February 1993, in approving the Country Programme, the decision was taken to hold a Round Table meeting on Humanitarian Assistance. The UN Department of Humanitarian Affairs (DHA) has agreed to play a leading role in this Conference. This initiative is fully coherent with the action of the UN Secretariat and

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Security Council in promoting the peace process whereby, at the request of the Secretary General, a goodwill mission has been sent to Rwanda; and the Arusha negotiations are preparing a peace agreement which, inter alia, would contemplate reintegration of displaced persons in their original territory. The strategy proposed for this Round Table is to link as far as possible the efforts of the United Nations system as a whole, with reference to two main dimensions.

1. The Humanitarian Emergency: An Interagency Mission to Kigali, led by DHA, with the support of the UNDP Office in Kigali, has prepared a Consolidated Appeal for emergency assistance which will shortly be issued by the USG for Humanitarian Affairs to the donor community. The Round Table will mobilize additional resources for the residual emergency needs of the internally displaced and host populations, and propose strategies to enhance operational modalities of humanitarian interventions.

2. The Reconstruction and Reintegration of Displaced Persons: The objective is to coordinate under a single programme the three main phases of action, i.e. emergency assistance, reconstruction and reintegration of displaced populations, and economic and human development programmes. The Round Table will allow UNDP, with other UN and bilateral agencies and the Government of Rwanda, to assess the medium-term needs for reconstruction and reintegration and to adjust, accordingly, macro and micro-level programme interventions and budgetary allocations in order to meet those needs.

Description of project

The major objectives of the Round Table, on a priority basis, will be to: (a) discuss and implement strategy for humanitarian assistance, reconstruction of affected areas and integration/reintegration of displaced persons; (b) mobilize additional resources or reallocate current programmes resources accordingly; (c) ensure optimal utilization of resources provided by the international community for residual emergency needs; and (d) promote international public awareness.

The Round Table meeting will be held in Geneva, possibly in June 1993 and will follow the usual guidelines and methodology of the UNDP Round Table exercise. The DHA will coordinate the Round Table, and other UN organizations, which have participated in the interagency mission, will be closely associated, as well as key NGOs operating in Rwanda. UNDP and the Government will present a Programme of Action for the reconstruction of Rwanda, elaborated in close consultation with the donor community in Kigali, which will propose a reassessment of ongoing development projects in order to co-ordinate and to re-programme resources under a common plan.

Inputs

UNDP will provide an international consultant specialized in Round Tables and planning exercises for two-man months; two local consultants in reconstruction and displaced persons (six man-months); travel arrangements for an OPS Prodere project specialist; administrative support; organization of the Round Table in Geneva by the UNDP office in Switzerland; and miscellaneous costs.

Financial data

	$
Personnel	71 000
Equipment	3 000
Training (Conference)	104 500
Miscellaneous	28 000
Total	207 000

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
CHINA

IPF:(1992-96) $176 600 000

(CPR/91/310) - Large Enterprise Management

Date of approval by the AC:[1/]	14 April 1993
Expected duration:	Three years
Proposed executing agency:	Government (China International Center for Economic and Technical Exchanges (CICETE))
Government implementing agency:	National: State Council Economic and Trade Commission (SCETC), State Commission for the Restructuring of Economic Systems (SCRES); Regional: Shanghai Municipal Government, Liaoning Provincial Government and Heilongjiang Provincial Government
Proposed UNDP contribution:	$7 000 000 Source of funds: IPF
Total UNDP budget:	$7 000 000

Project background

China's economy is one of the most dynamic in the world growing at the rate of 12.8 per cent in 1992; the gross value of its industrial output rose by more than 21 percent in the same period. While normal cyclical factors were at work, the major driving force underlying the accelerated growth arose from the market-oriented reforms and the widening of China's open door policy. Starting in early 1992 Deng Xiaoping urged China to move forward with faster economic reforms. In a series of speeches he argued that the market and economic planning were alternative methods of resource allocation and that socialism is compatible with the market. These comments unleashed a renewed effort by many to adopt pro-growth and pro-market development strategies.

In China the state-owned enterprises (SOEs) remain of vital importance to the national economy; the SOEs employ more than 45 million people and are responsible for about 65 percent of industrial output value. While the number of medium/large-scale enterprises totals only about 15,000 or 20 percent of total SOEs, they account for 56 percent of the total output for the sector. China is committed to reforming and revitalizing its SOE sector through efforts to increase the autonomy of enterprise managers and to separate ownership from management. In July 1992, the State Council announced detailed measures for "operation mechanism transformation" addressing many of the issues related to enterprise autonomy (e.g. production and management, price and wage determination, marketing of products, purchase of goods and materials, disposal of assets, etc.).

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Description of project

The programme aims at assisting the Government in developing and implementing its national effort to reform and revitalize large and medium SOEs by developing and testing a sustainable model (or process) of enterprise reform which could be applied on a country-wide basis. Experiments will initially be carried out in a small number (20) enterprises in Shanghai, Heilongjiang and Liaoning. Selection of enterprises will be conducted according to criteria including: the nature of the problems confronting the enterprise, its financial health, the degree of autonomy already existing in the enterprise, etc. The programme will focus on the critical issue referred to in China as the "operational mechanism transformation" (OMT) of SOEs.

Project activities will include: (a) separate ownership and management to be achieved through conversions into joint-stock companies, formation of enterprise groups; (b) improved leadership and management skills of enterprise managers; (c) investment planning and technology management techniques; (d) international business management techniques in product development, marketing and sales to exploit new opportunities; and (e) quality management; (f) giving SOEs autonomy; (g) establishing and regulating a competitive market system; and (h) operating indirect market-oriented economic control instruments.

Each of the 20 Enterprise Management Reform (EMR) teams will be supported by a group of senior specialists recruited from advanced market economies who are well qualified in various functional areas (e.g. quality management, marketing, human resources, product development, and production) or possess specific industry skills. These senior specialists will provide their particular experience to enterprise management and the task forces as requested by enterprise management and the EMR Team Director. Selection of international advisors will be led by DPSD using UNISTAR, TOKTEN and other sources. Further management consultancy as well as other forms of technical assistance tailored to an enterprise's specific needs will be financed through a Revolving Fund. The advantages of this Fund are threefold: (i) with enterprises having to pay for specific types of assistance, they will be more discriminating in requesting only assistance which is clearly needed and could translate into higher efficiency/profitability; (ii) it supports SOEs in adopting commercial and market-oriented principles; and (iii) replenishment of the Fund enables it to service subsequent groups of SOEs, thus increasing the sustainability of this form of reform process.

Inputs

UNDP will provide approximately 100 work-months of services of international consultants; 70 work-months of services of national professionals; in-country training as well as in-country and overseas tours for enterprise and government officials; resources for the Revolving Fund and fund-raising component; and miscellaneous costs.

Financial data

	$
Personnel	2 820 000
Subcontract	2 150 000
Training	980 000
Miscellaneous	50 000
Unprogrammes reserve*	1 000 000
Total	7 000 000

*The unprogrammed reserve will be allocated based upon the programmes results and in light of the resource picture existing in early 1994. It is intended that the allocation will be used to include additional enterprises, cover unforseen expenditures of the EMR teams and other highly relevant targeted uses.

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ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF LAO PEOPLE'S DEMOCRATIC REPUBLIC

IPF:(1992-96) $42 156 000
(LAO/92/006) - Technical Assistance Programme for Public Administration Reforms

Date of approval by the AC:[1]	14 April 1993
Expected duration:	Three years and nine months
Proposed executing agency:	Government (Office of the Prime Minister)
Implementing Agencies:	Civil Services Commission, Ministry of Finance, School of Public Administration, UNDP/OPS
Proposed UNDP contribution:	$1 840 000 Source of funds: IPF
Third-party cost sharing:	$1 035 000 Source of funds: MDP
Total UNDP budget:	$2 875 000
Administrative and Operational Support Services (AOS):	$ 108 000 Agency: OPS

Project background

Since the inception of LAO People's Democratic Republic in 1975, the People's Revolutionary Party has been the sole Government entity. Every aspect of its governance system, such as hierarchy of authorities, accountability, institutional infrastructure, policy planning, staffing, management procedures and practices was shaped according to an orthodox central planning system which characterized the socialist system. In 1986, as a strategic approach to generate and sustain national economic development, the Party's Congress took a fundamental decision to adopt a free-market economic system. The Party recognized the need to disengage its grip on power. This has been the basis for the reforms designed and/or undertaken in political, economic and administrative areas.

The economic reforms which started since 1986 have had significant successes in terms of national finances, stable (market driven) national currency exchange rates, low inflation and large investment flows from private sector capital holders. Many bi-and-multilateral aid agencies, including UNDP and its MDP, are assisting effectively the Government in overhauling its institutional, legislative and regulatory frameworks. On the political front, the first Constitution of LAO PDR, which was adopted in August 1991, is the most visible and reliable success indicator of the reforms. It specifies that the Party must dissociate itself from the functioning of the Government and defines the separation of power between the executive, legislative and judiciary bodies. It establishes the rights of individuals and the right to private property, and encourages private sector enterprises.

LAO public administration is characterized by many shortcomings, such as the absence of adequate institutional and legislative frameworks, weaknesses of managerial systems and organizational procedures, shortage of human resources, and negligible participation of women. Until December 1992, there was no entity responsible for the Civil Service. It was a Party's "Committee of Organization" attached to the Prime Minister's Office which was responsible for policy setting, implementation and enforcement in all matters related to personnel management of the public administration. Up until the establishment in August 1991 of the School of Public Administration (Ecole Nationale d'Administration et de Gestion or ENAG), training of new recruits and retraining of civil servants were carried by the Party's School.

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In regard to public administration reform, the initiatives pursued by the Government in the last two years have fallen short of the objectives, as they were aimed only at the structural reorganisation of a few ministries. However, the level of development achieved by the economic and political reforms has reached a point beyond which it will be difficult, if not impossible, to progress further without full reform of the public administration. The Government of LAO PDR now requests that UNDP and its specialized Management Development Programme (MDP) participate in the design and implementation of an important segment of the comprehensive reform programme of its Public Administration.

Description of project

The development objective of the Public Administration Reforms Programme is twofold: (i) to ensure effective separation of the Party from the regular functioning of the executive branch, the administration and management of the civil service, and the judicial branch of the Government, and (ii) to provide support to the implementation of economic reforms by developing a competent civil service.

The participation of UNDP in this Public Administration Reform Programme will include four closely inter-related components: (i) an institution support component to establish a Directorate of Civil Service and Public Administration (Direction de l'Administration et de la Fonction Publiques, DAFP) as a recognized and competent body, free from political influence, attached to the Office of the Prime Minister. (Outputs will include: comprehensive series of national policy documents setting the legislative and regulatory measures, such as the statute of the civil service, guiding principles on career development, wages of civil service personnel, guidelines on procedures, etc.; a national pension scheme for retired civil servants; and a system or structure of referral to deal with disciplinary matters and staff/management conflicts.); (ii) a direct support component to design and implement in-depth administrative and financial management reform in three pilot ministries, (Ministry of Finance, Ministry of Health and Ministry of Social Actions), from central down to village levels, encompassing provincial and district administrations; (iii) a Human Resources Development component to spell out the policies, strategies and programmes of human resources management and development in the public administration, including management information systems, training, career development, promotion of women's and ethnic minorities' participation in public administration; and (iv) an Information support component to provide a forum for, and sustain national capacities to freely discuss, analyze and develop modern techniques of administration and management for public services, and ensure transparency of rules, regulations and conduct of various services and functions of the public administration. An unstructured forum of Lao specialists and a central library will be established, and a technical bulletin will be regularly published to serve these purposes.

Inputs

UNDP will provide one expert in the establishment and management of the civil service for 24 work-months and one legal expert for 12 work-months under component (i); one expert in administration services for 24 work-months under component (ii), approximately 50 work-months of short-term international consultants, 12 national experts for a total of 477 work-months and 150 work-months of national consultants; training abroad of key national personnel of the programme, in-country training of civil servants from the pilot ministries and provincial and district administrations; office equipment, and software; and miscellaneous costs.

Financial data

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Personnel	1 688 900
Training	613 500
Equipment	535 000
Miscellaneous	37 600
Total	2 875 000

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